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Don't name and shame tax avoiders [1]

Written by **Dr Eamonn Butler** [2] | Tuesday 19 February 2013

British MPs say that tax avoiders should be 'named and shamed' to discourage people from using legal loopholes to reduce their tax bill. It shows just how much of a careless disregard for the rule of law our politicians now have.

Let's get this straight. Evading taxes ? fraud and lies to understate your income or your tax liability ? is illegal, and people should be prosecuted for it. Tax avoidance is not illegal. It is arranging your affairs in such a way as to reduce the amount of tax that you have to pay. In one way or another, we all do this. Many of us pay into pension funds, which have a special tax treatment. Or we save in a tax-free Individual Savings Account (ISA). We put some of our assets into trust so we don't have to pay 40% on absolutely everything when we die.

Of course, many people come up with much craftier ruses than these. They set up all sorts of vehicles in order to minimise the tax they pay, or maximise their access to tax reliefs for things like business start-ups, research and development, or investing in particular industries. Some of these have little real substance and are designed solely to reduce the taxpayer's bill. That may be morally reprehensible, but it it not illegal.

So the MPs are saying that they are quite prepared to 'name and shame' people who may be stretching the spirit of the law but are obeying it to the letter. We all know people whose acts and lifestyles we might regard as odious and immoral in a hundred and one different ways. But providing they respect the law, our political and judicial authorities really have no right to single out any of those individuals and then vilify them and try to stir up public prejudice against them. Our authorities should enforce the law ? the law that they themselves have created. Once we permit them to take action against law-abiding citizens they don't happen to approve of, then liberty will truly have disappeared in this country.

If our taxes are so high that people resent paying them (and remember that high earners now pay two-thirds of their income in tax and national insurance); if people regard their taxes as mis-spent (no shortage of examples there); and if our tax rules are so byzantine that people can find places of shelter within them ? well, then our lawmakers have only themselves to blame. They certainly should not be picking on law-abiding private citizens.

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